

## BUSINESS OPPORTUNITY

CC-MORA004-12

*Department of the Interior*

National Park Service  
Mount Rainier National Park

Proposal to Provide Sales of Pre-cut and Bundled  
Firewood and Kindling at the  
White River and Ohanapecosh Campgrounds  
Within Mount Rainier National Park

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## INTRODUCTION

The National Park Service ("Service") seeks proposals for a concession contract ("Draft Contract") authorizing a Concessioner to sell pre-cut and bundled firewood and kindling at the White River and Ohanapecosh Campgrounds within Mount Rainier National Park. This Prospectus describes in general terms the existing business operations and the future business opportunities for the facilities and services allowed pursuant to the Draft Contract.<sup>1</sup> Offerors are responsible for reviewing all sections of this Prospectus and, specifically, the terms and conditions of the Draft Contract (in Part IV), including its exhibits, to determine the full scope of the future Concessioner's responsibilities under the Draft Contract. The Service is conducting this solicitation in accordance with the 1998 Concessions Act, and its implementing regulations, 36 C.F.R. Part 51.

Offerors are responsible for reviewing all sections of this prospectus, and specifically, the terms and conditions of the Draft Contract (in Part IV), including its exhibits, to determine the full scope of a Concessioner's responsibilities under the Draft Contract. The Service is conducting this solicitation in accordance with the 1998 Concessions Act, and its implementing regulations, 36 C.F.R. Part 51.

In the event of any inconsistency between the terms of this Prospectus and 36 C.F.R. Part 51, 36 C.F.R. Part 51 of Title 36 of the Code of Federal Regulations will control. In the event of any inconsistency between the terms of the Draft Contract and this prospectus, the Draft Contract will control. Copies of Pub. L. 105-391 and 36 C.F.R. Part 51 is included as Appendices to this Prospectus.

### The National Park Service and Its Mission

In 1916, Congress created America's National Park Service to:

. . . conserve the scenery and the natural and historic objects and the wild life therein, and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations. (16 U.S.C. § 1)

Additionally, Congress has declared that the National Park System should be:

. . . preserved and managed for the benefit and inspiration of all the people of the United States. (16 U.S.C. § 1)

The Service has as its overall mission the preservation and public enjoyment of significant aspects of the nation's natural and cultural heritage. To learn more about the National Park Service, visit [www.nps.gov](http://www.nps.gov). This site includes information about the Service, its mission, policies, and individual parks.

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<sup>1</sup> The data, information, and assumptions included in this discussion of the Business Opportunity are based on a review and interpretation of available public records, Service records, and consultation with knowledgeable sources. On this basis, the data, information and assumptions are believed to be accurate. However, the Service makes no representations or warranties as to the accuracy or completeness of such data, information, and assumptions. Offerors are responsible for undertaking appropriate due diligence with respect to this Business Opportunity and all other aspects of the Prospectus. Should any Offeror believe any statement in the Business Opportunity or elsewhere in the Prospectus to be inaccurate, the Offeror must submit comments to the Service in writing, as provided in the Proposal Instructions



## Mount Rainier National Park's Mission



Mount Rainier National Park encompasses 235,625 acres in west-central Washington, on the western slope of the Cascade Range. The Park's northern boundary is approximately 65 miles southeast of the Seattle-Tacoma metropolitan area and 65 miles west of Yakima. The elevation of the Park extends from 1700-feet above sea level to 14,410-feet at the summit of Mount Rainier.

The focal point of the Park is the towering snow- and ice-covered volcano, which is one of the most prominent landmarks in the Pacific Northwest. The 26 major glaciers on the mountain cover 35 square miles, constituting the largest single-mountain glacial system in the contiguous 48 states. Mount Rainier is also the second most seismically active and the most hazardous volcano in the Cascade Range.

The United States Congress recognized the significance of the area when it established Mount Rainier National Park as the nation's fifth National Park on March 2, 1899. Approximately 1.9 million people visit the Park each year. The Park's enabling legislation, legislation which established the National Park Service, subsequent laws, executive orders, and policy directives, call for Mount Rainier National Park to be managed:

- To protect and preserve its natural and cultural resources, processes, and values, while recognizing their increasing importance in the region, the nation, and the world.
- To provide opportunities for visitors to experience and understand the park environment without impairing its resources
- To maintain wilderness values, while providing for wilderness experiences

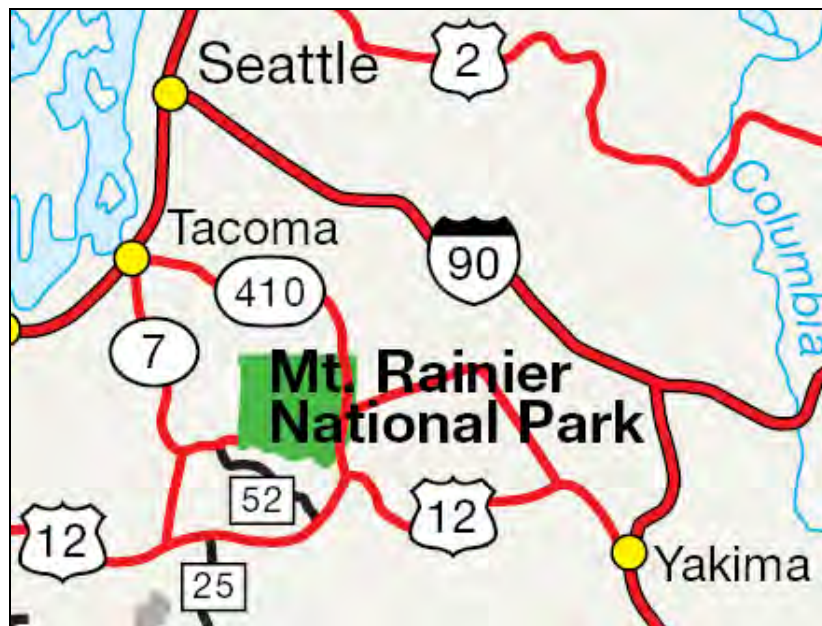
The Park's outstanding wilderness values, natural and cultural resources, and remarkable scenic characteristics were and continue to be its signature features. The Park is widely recognized as one of the best glaciated climbs in the lower 48 states. In addition, it is an excellent place to train for longer and more difficult climbs in Alaska and around the world. The Park's steep glaciers and deep crevasses coupled with the mountain's impressive 14,410-foot elevation and fierce storms that move in rapidly from the Pacific are enough to challenge any climber's skills and determination.



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**Exhibit 1. – Mount Rainier National Park Area and Vicinity**

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*Source: National Park Service*

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### **Compliance with Federal, State, and Local Laws and Park Jurisdiction**

Within all areas of the Park, the Service has exclusive jurisdiction, which means that the United States Government is the sole enforcement authority within the Park's boundary. The Park's staff of Federal Officers enforce Federal and adopted State laws. The existence of exclusive jurisdiction means that the Concessioner operates in a different regulatory environment than businesses outside the Park. Federal regulations governing resource protection, public use, and recreation are contained within Title 36 of the Code of Federal Regulations (36 CFR). Park rangers, holding Federal law enforcement commissions, conduct all law enforcement in the park.

### **Park Management Structure**

The Park's Superintendent manages Mount Rainier National Park. He manages all Park operations, including concession operations. A management staff, including the Deputy Superintendent, Division Chiefs, and a Concessions Management Specialist, assist and advise the Superintendent.

### **PARK MANAGEMENT OBJECTIVES FOR CONCESSION SERVICES**

The need for commercial visitor services within the Park is based on objectives for visitor use described in law, planning documents, the judgment of Park management, and the present objectives of the Service. The Service has determined that the services that are called for in this prospectus are necessary and appropriate to the enjoyment and effective management of the Park.

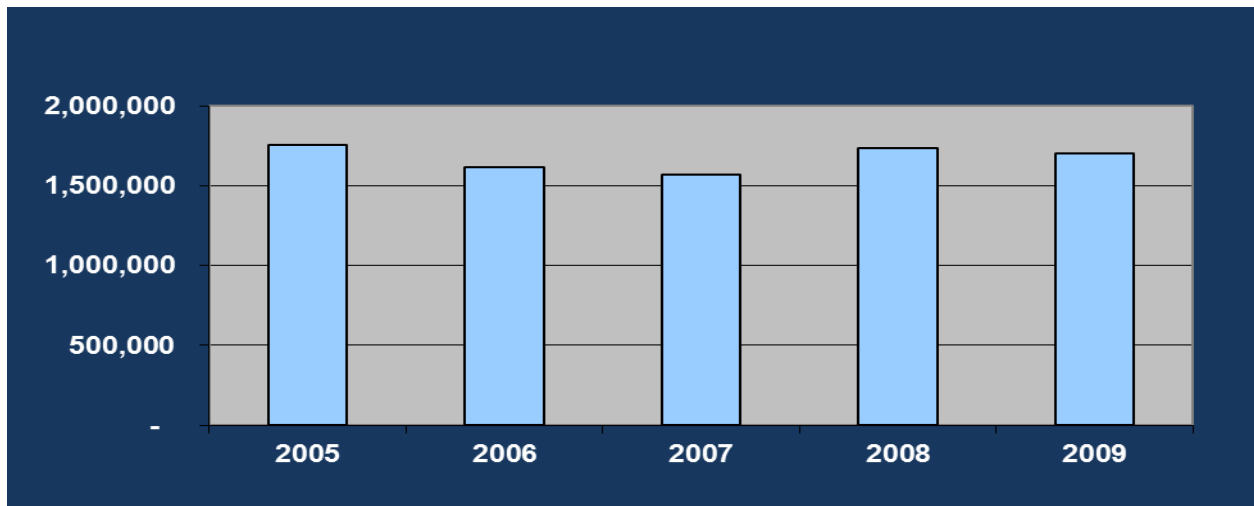
### **MARKET AREA OVERVIEW**

Mount Rainier National Park's scenic landscapes and cultural resources have attracted people for generations. About 2 million people visit the Park annually, with most of the visitation (75%)



occurring between June and September. The table below shows total Park visitation for the past five years.

**Exhibit 2. – Mount Rainier National Park Visitation**



Source: National Park Service

### Campground Use

The Draft Contract requires services at two locations, White River and Ohanapecosh Campgrounds, within Mount Rainier National Park. There are 112 campsites at the White River Campground and 205 campsites at the Ohanapecosh Campground (see Campground Maps, Attachment B, of Exhibit B). The following table provides information on the overnight use of the White River and Ohanapecosh Campgrounds.

**Exhibit 3. – Campground Visitation**

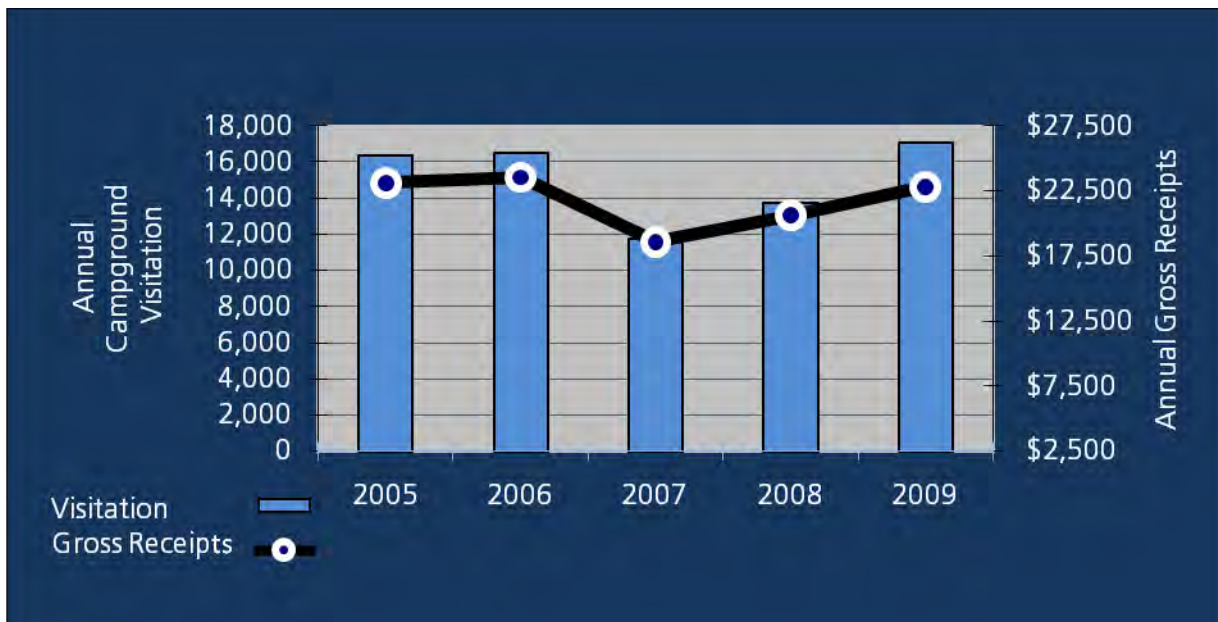
	2005	2006	2007	2008	2009
Total Park Visitation	1,757,910	1,619,117	1,567,866	1,736,037	1,701,153
White River Campground	5,030	5,268	4,054	4,989	5,531
Ohanapecosh Campground	11,293	11,238	7,692	8,773	11,530

Source: National Park Service

Gross receipts under the Existing Contract, CC-MORA004-07 John P Squires, have remained consistent with combined annual visitation for the two campgrounds. The 2007 and 2008 fluctuation in visitation was in response to campground closures due to flood damages. Visitation returned to established patterns in 2009.



Exhibit 4. Combined Annual Campground Visitation and Gross Receipts



Source: National Park Service

#### Current Financial Information

The Existing Contract authorized service beginning in 2007 for a five year period. The Existing Concessioner pays a 3% franchise fee or a flat fee of \$500 per year, whichever is greater.

Exhibit 5. – Gross Receipts and Franchise Fees Paid

	2007	2008	2009
Gross Receipts	\$ 18,603	\$ 20,620	\$ 22,830
Franchise Fee	\$ 558	\$ 619	\$ 686

Source: NPS

The proposal package requires Offerors to develop financial projections based upon the business to be operated. Offerors should be appropriately cautious in the use of historical information. The Service will not provide financial predictions; therefore, Offerors are responsible for producing their own proforma financial statements and relying upon their own financial predictions.





## EXISTING CONCESSION OPERATION

The Existing Contract will expire on January 31, 2012. Currently, firewood is sold from the back of a truck that is driven through each of the two campgrounds in which the Existing Concessioner is authorized to operate. Firewood and kindling are bundled separately. Firewood is currently sold for \$5.00 per bundle and there are no additional charges for a bundle of kindling (up to one bundle of kindling is provided with each bundle of firewood).



Each truck travels the campground loops selling firewood/kindling bundles before parking near the entrance of the campground. Sales continue from this location. If the level of activity warrants, the sales truck will make additional passes through the campgrounds. Sales continue until approximately 8:00 p.m.

There are no assigned facilities under the Existing Contract

During the summer, a fire ban may be enacted in the campgrounds due to extreme fire conditions. Park fire bans are unusual and have not occurred in several years. During a campground fire ban, the Concessioner may **NOT** sell firewood and kindling.

## Preferred Offeror and its Right of Preference

The Service, in accordance with 36 CFR Part 51, has determined that the Existing Concessioner is a "preferred offeror" and accordingly is entitled to a right of preference to the Draft Contract. This is because the Existing Concessioner has operated satisfactorily during the term of the Existing Contract, the Draft Contract provides for the continuation of visitor services authorized under the Existing Contract, and gross receipts projected in the first 12 months of the Draft Contract are estimated to be less than \$500,000.

In accordance with this determination, John Squires' right of preference permits him, if he submits a responsive proposal under the terms of the prospectus, to match the terms and conditions of a competing offer that is determined to be the best responsive proposal received under the terms of the prospectus. In accordance with 36 CFR Part 51, if he does so he will be awarded the Draft Contract, subject to other requirements of 36 CFR Part 51.

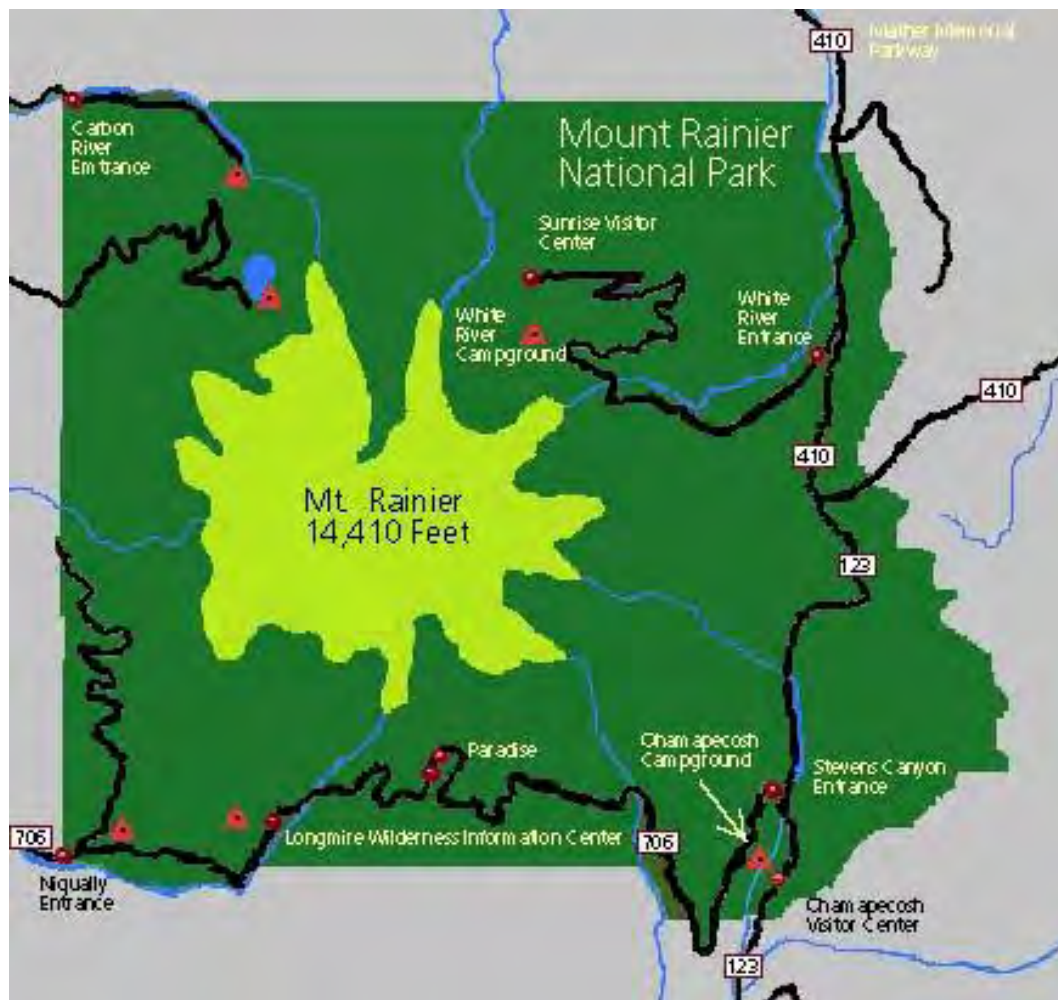


## FUTURE CONCESSION OPERATION

### Location Information

The Concessioner is required to sell bundled firewood and kindling at the White River and Ohanapecosh Campgrounds. The White River Campground is located on State Route 410 in the northeast corner of the Park. Sunrise, a popular visitor destination, is located uphill from the campground. The Ohanapecosh Campground is located in the southeast corner of the Park. The Campground is located west of State Route 123 north of State Route 12 and south of the Stevens Canyon Entrance of the Park.

Exhibit 6. White River and Ohanapecosh Campground Locations



Source: National Park Service

### Maintenance

The Draft Contract requires the Concessioner to be responsible for maintaining a clean sales area, including removing litter generated by the operation.



## INVESTMENTS

The Existing Concessioner has no right to monetary compensation if not selected for the Draft Contract for any real or personal property.

### Personal Property

While not required to do so, Offerors may elect to purchase the personal property of the Existing Concessioner. The Concessioner and the Existing Concessioner would jointly determine the final purchase price for any personal property.

### Real Property

The Existing Concessioner has no real property improvements within the Park. Concessioners who invest in real property outside of the Park area for supporting in-Park operations are not obliged to sell that property to any incoming Concessioner. Furthermore, the Service will not compensate Concessioners for such property or require any incoming operator to purchase that property.

## FRANCHISE FEES

A minimum annual franchise fee based on the Concessioner's gross receipts will be required. This minimum franchise fee will be equal to three percent (3.0%) of the Concessioner's gross receipts, or \$500, whichever is greater. However, Offerors may propose a higher minimum franchise fee in accordance with the terms of the prospectus.

## TERM

The term of the Draft Contract will be for ten (10) years and with an estimated effective date of February 1, 2012. The effective date of the Draft Contract is subject to change prior to award if determined necessary by the Service. In such an event, the Draft Contract expiration date would change to reflect the same term length from any adjustment made to the effective date.

